

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Forest Department – Disposal of Red Sanders Wood available in the Department through Global Tenders – Allotment of Red Sanders Wood in VAP to M/s Power Grip Resources Private Ltd., Singapore, – Orders issued.

ENVIRONMENT, FORESTS, SCIENCE & TECHNOLOGY (FOR.III) DEPARTMENT

G.O.Rt.No. 101

Dated:17.03.2011

Read the following:-

1. G.O.Ms.No.544, EFS&T (For.III) Dept., dt.17-11-2007.
2. Govt. Memo No.9719/For.III/2009 dt.19-08-2009.
3. From the Prl.CCF,AP, Hyderabad, Letter No.35039/2008/V2, Dt.9.09.2009.
4. G.O Rt.No.480, EFS&T (For.III) Dept., dated:1.10.2009.
5. From the Prl.CCF,AP, Hyderabad, Letter No.35039/2008/V2, Dt.9.09.2009.
6. Joint representation from the M/s Zitan Trading Corporation, Hyderabad, M/s Andhra Fogaku Pvt. Ltd., Hyderabad, Dt.19.05.2010.
7. Representation of M/s Power Grip Resources Private Ltd., Singapore, Dt.01.03.2011.

ORDER:-

In the reference 1st read above, Government have issued orders permitting the Principal Chief Conservator of Forests, to call Global Tenders for disposal of 2022 M.Tons of Graded and Non graded Red Sanders wood both in round log form and value added form which is mandatory, with a specific clause in the tender conditions that export of red sanders in round log form shall be permitted subject to the Government of India clearance. The Principal Chief Conservator of Forests, issued Global Tenders Notification on 26-11-2007 to dispose 2022.5876 MTs of graded and Non-graded Red Sanders wood, after giving wide publicity through leading news papers and department's website inviting competitive bids and submitted a report to the Government with details of highest bidders etc., After examining the report of the Prl.CCF, conditional allotment orders were issued on 12-2-2009 to individual highest bidders for the export of Red Sanders wood in log form, subject to Government of India clearance. Accordingly, Government of India, MoEF were addressed, on 12.02.2009 and 22.05.2009 for allowing the export of Red sanders wood in Round Log form. However, the request of the State Government was not agreed to by Government of India.

2. In the reference 2nd read above, Government, have issued instructions to Prl.CCF, to finalise the tender process to the highest bidders as per VAP rates, after obtaining confirmation letters from them about their interest in buying the R.S. wood and converting them into VAP in Andhra Pradesh, India etc.,

3. In the reference 3rd read above, the Prl.CCF, Hyderabad completed the above process and submitted a report to the Govt. The matter has been examined and decided that the rates quoted by the highest bidders for buying red sanders in the form of value added products after negotiations seems to be very less and ordered to call for fresh tenders for disposal of the available graded and non graded R.S.Wood in VAP form. Accordingly, in the reference 4th read above, Government issued orders cancelling the earlier orders issued in G.O.Rt.Nos. 77 to 82 EFS&T (For.III) dt.12-2-2009, making allotments of R.S Wood to highest bidders in round log form.

(p.t.o)

4. The Principal Chief Conservator of Forests, Andhra Pradesh, Hyderabad, vide reference 5th read above, has stated that M/s Power Grip Resources Private Ltd., Singapore, who is also a successful bidder for 197.804 MTs of Red Sanders wood, has requested to return their Demand drafts/Bankers Cheques, which was kept as security deposit, since the Government had cancelled the tenders. But, the same was not returned, keeping in view that the Court cases are pending before the Hon'ble High Court.

5. In the reference 6th read above, M/s Zitan Trading Corporation and M/s Andhra Fogaku Pvt. Ltd., have jointly represented to the Government stating that they may be invited for negotiations to resolve the long pending issue amicably at the earliest and if the issue is resolved, they would like to withdraw the court cases.

6. Government, after elaborate discussions of the matter with the two parties decided to fix a rate of Rs.2.20 Lakhs per MT for non-grade RS Wood and also decided to fix a rate of Rs.2.574 Lakhs per MT for 'C' grade RS Wood. In respect of A & B grades RS Wood, since the rates quoted by the Companies are very less, it is decided to delete the same from the tender process. Accordingly, Government have issued orders in respect of M/s Zitan Trading Corporation and M/s Andhra Fogaku Pvt. Ltd.

7. In the reference 6th read above, M/s Power Grip Resources Private Ltd., Singapore, who are also highest bidders as per the tender conditions, have stated that the deposit of Rs.25.00 lakhs paid by them is still with the Forest Department and requested the Government to allot 196.087 MT of C graded and Non graded Red Sanders (excluding 1.717 MT of B-Grade RS Wood) under the VAP category which was lawfully allotted to them. They further agreed to accept the terms and conditions stipulated by the Government in this regard.

8. Government after careful examination of the matter hereby order to allot the C-Grade and Non grade RS Wood to M/s Power Grip Resources Private Ltd., Singapore, of the rates detailed below:-

Sl. No.	Grade	No. of lots	Quantity in MTs	Name of the firm	Rate fixed (Rs in lakhs per MT)
1.	Non Grade	1	1.104	M/s. Power Grip Resources Pvt Ltd., Singapore.	2.20
2.	Non Grade	7	98.192	- do -	2.20
4.	Non Grade	6	77.913	- do -	2.20
	Sub total	14	177.209		
	C Grade	2	18.878	- do -	2.574
	Grand total	16	196.087		

8. Government also order that the material would be lifted in (3) equal installments of payment as detailed below:-

- First installment should be made within (1) month from the date of amendment of EXIM policy by the Government of India with regards to allowing the export of furniture/ furniture sizes etc., (value added items).

- b) Second installment should be made within (5) months from the date of amendment of EXIM policy.
- c) Third and final installment should be made within (9) months from the date of amendment of EXIM policy.
- d) No further extension of time to lift the RS Wood will be allowed and the parties should not approach the Government for further extension of time.

9. It is further ordered that the Conversion of RS Wood logs into value added product (VAP) shall be done in A.P. State only. No permit shall be issued for out side the State for logs and after conversion they may approach the Government of India through APFDC Ltd., for licence.

10. The Principal Chief Conservator of Forests, Andhra Pradesh, Hyderabad is requested to take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

JANAKI R.KONDAPI
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Principal Chief Conservator of Forests,
Andhra Pradesh, Hyderabad.

Copy to:
M/s Power Grip Resources Private Ltd.,
Singapore.
SF/SC

//FORWARDED :: BY ORDER//

SECTION OFFICER